

COVID safe principles for Propifi Capital Ltd, its Subsidiaries & Service Providers

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Introduction

This document outlines the principles for Covid safe operation for our business in the UK through reference to relevant Government guidance and regulation. It has been produced to assist our staff and anyone we meet or do business with in carrying out our activities with respect to considering and managing the risks posed by COVID-19.

The Government has outlined practical actions to take to manage the risk of COVID-19. Those actions that can readily be applied to our business to help reduce the risk posed by COVID-19 currently include:

1. Carrying out a COVID-19 risk assessment
2. Developing cleaning, hand washing and hygiene procedures
3. Maintaining 2m social distancing
4. Where people cannot be 2m apart, managing the transmission risk

Current Situation

Our business covers lending to property developers throughout the UK. At present, development and construction (and therefore activities associated with that, such as ours) are deemed to be essential and are classed as key working.

The long term housing shortfall is currently estimated to be around 1.2m units (BBC 23.2.20) and the gap is rising, particularly at the affordable/social housing end of the market. The second half of this year, post the first lockdown, saw house prices increase by more than 5%. Our business is primarily focused on the social housing end, where the government is desperate to increase the housing stock. This suits our business as we have more assured exits from our loans than in the purely speculative parts of the housing market. For further information, see <https://commonslibrary.parliament.uk/research-briefings/cbp-7671/>

Risk Assessment

In our case, we closed our only office in March 2020 and instructed all our employees to work from home until restrictions are lifted. We currently have no plans to reopen an office until restrictions are lifted.

Our business is largely desk based. All internal meetings are currently carried out with Zoom so that nobody has to leave their home on business. We have ensured all our employees have all the necessary equipment they require, including a computer, telephone and access to video conferencing. We are in regular contact and ensure we enquire about each other's welfare and whether any of us are suffering from Covid 19 symptoms, in which case current government guidelines must be followed. See also <https://www.hse.gov.uk/toolbox/workers/home.htm>

The only occasions when people have to physically inspect a site are:

1. Valuations – these are carried out by a local surveyor. This involves one qualified person to travel over a short distance to the site and carry out a survey for valuation purposes. The time on site only requires a few hours and doesn't involve meeting anyone on site. Photographs are taken which provide

much of the visual data required. The rest of the valuation procedure can be done from the desk. Any follow up can be carried out by email, telephone or, if required, meetings involving more than 2 people by computer based systems such as Zoom.

2. Validation inspection by PCL – this is carried out by a single employee from PCL on the same basis as valuations above. Most inspections only involve a brief period on site, so access is the only issue. In most cases, this can be carried out at a weekend when there is nobody on site, with a walk around the exterior of the building as it will normally involve demolition, so the interior is not of interest to us. Occasionally it may involve a partially constructed building, in which case our employee is subject to the current construction HSE rules and must be escorted around the site. These rules and a risk assessment will be agreed and sent to us in advance so that we can fully comply on the visit.

In all these cases, no overnight stays or gatherings are involved. Currently we would not attempt to visit a site or allow one of our valuers to. When Covid restrictions allow, we will select only those projects in low Covid risk areas which are more easily assessed without involving any on-site meetings. Government guidance on determining who should be attending a place of work can be readily applied in these instances. The measures we need to take to reduce the risk of COVID-19 can be found in the Health & Safety Executive (HSE) guidelines - <https://www.hse.gov.uk/>

Our employees and subcontractors will be encouraged to travel to any site in their own cars in order to minimize any contact with others, or any reliance on public transport. See <https://www.gov.uk/guidance/coronavirus-covid-19-safer-travel-guidance-for-passengers>

We urge our employees to be aware of their local rules and restrictions in the event they need to leave their home on company business. In particular, they must follow any local restrictions which apply to the area in the rare event when a site may have to be visited.

Conclusion

We are open for business and continue to work despite the pandemic and associated restrictions. Our sector is buoyant and we hope that, as the vaccine is rolled out in the UK and the transmission of the virus comes under control to allow an easing of restrictions, we can only increase our participation in this important area.